

# Market Research Workbook

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## OBJECTIVES

This workbook is designed as a guide to finding the information/data a firm needs in developing a marketing plan or program. This is **not** a procedure for preparing a Marketing Plan.

The workbook is organized according to various types of information, with a description of the importance of the information to the marketing plan/program. Included is a series of statements or questions leading one in developing information for their marketing plan and places to look for the information. For example:

### Competition

- ❖ Number of firms in the industry or area?

Sources: The number of firms can be obtained from:

- Trade associations (1)<sup>1</sup>
- Directory of Manufacturers (2)

- ❖ Size of firms (various measures can be used, such as sales, capital investment, number of employees).

Sources:

- Trade associations (1)
- Directory of Manufacturers* (2)
- Standard Directory of Advertisers* (3)
- U.S. government sources (4)

## SCOPE

This workbook provides an outline of the information needed in preparing a marketing plan for new or current products and services, as well as the various sources where this information can be obtained.

## FOCUS

The procedure in this workbook is for determining the market potential of new and existing products or services. It does not determine the emphasis to be given to specific areas. For new products, promotion and distribution may be critical. On the other hand, for an established firm already marketing a product, changes that are taking place in competition may be the key to a successful marketing strategy.

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<sup>1</sup> Numbers in parentheses refer to the sources as listed in Appendix A, page 31.

This workbook includes procedures for obtaining general information for a wide variety of products but is not comprehensive for specific analysis. It may be important to obtain other specific information in developing a marketing plan. Management must determine when this additional information is applicable.

## PLACE IN MARKETING PLAN

The orderly process of collecting information relative to the product is the first step in developing a marketing plan; then, and only then, can the firm's business plan be developed. The importance of this phase cannot be over emphasized. During the developing of the marketing plan, important decisions are made that affect the manufacturing, management, and finances of the firm. With so much riding on this process, it is essential that the best possible information be used. It follows, then, that collecting information/data - is one of the most important steps. (See outline of a Marketing Plan in Appendix B, page 29.)

A vast amount of information is available from the sources listed in this workbook. The cost in time or dollars of obtaining this information is low compared to the cost of poor decisions that a company may have to live with for some time. In some cases, decisions based on incomplete or erroneous data may never be overcome.

Collecting information about products or services does not in any way complete the market plan. This is only the first step but the most important one. It is the step where adequate time must be devoted. This workbook lists numerous sources of available information, but there are certainly additional sources. The point is that it takes time and effort to obtain good data. When management spends time preparing the firm's marketing plan, it not only saves the firm many dollars but also gains greater understanding of the marketing phase of the business. By contrast, when a consulting firm is hire to prepare the marketing plan, management participation is minimal and the full import of the information and conclusions may not be understood.

Only through the direct involvement and active participation of management will the marketing plan be a meaningful decision-making tool.

<b>RULE:</b> Time collecting good data is time well spent and essential for good planning.
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## PACKAGING AND MARKETING

Almost every product must be packaged in some fashion to move through the distribution system to the customer. Therefore, considering how the product will be packaged is an essential part of the marketing plan. In many cases, the packaging is the most important part of the product. The package should contain, protect, perform, and communicate throughout the distribution system. Its primary function is to deliver the full quality of the product to the point of use.

**RULE:** The package is a silent salesperson for the product.

Sources:

- Survey of competitor's product (9)
- Survey of similar products (9)
- Directory of Packaging Consultants* (5)

## PRESENTING MARKETING DATA

It is important that information/data be presented in a manner that the average individual with limited time can understand. Tables with large volumes of data are almost impossible for the average reader to use effectively, and thus, have limited usefulness.

Charts, graphs and percentages are better ways to present data. The reader can view these to obtain the necessary information at a glance. There are many excellent books on how to construct charts and graphs. (6)

When developing tables, charts, or graphs, it is essential to include a meaningful title, date, and source where the information was obtained. Another important factor in preparing the information is to set forth "assumptions." Some writers hide the underlying assumptions, making it difficult for the reader to recognize them and interpret the findings accordingly. It is best to list any assumptions in an open and recognizable manner for the readers so that they can better understand the study.

**RULE:** Present the data in a clear, concise and complete manner.

## DEFINING THE PRODUCT AND TRADE AREA

Before collecting information or data about the market for a product or service, the firm's product line and trade area must be defined. This can be illustrated by stating that the firm is a manufacturer of lumber products. This is a very broad product line which needs further definition such as dimension, flooring, hardwood, kiln dried, logging, plywood, poles and posts, rough, softwood, treated, veneer, blocking and crating, to name a few. In which specific business is the firm operating?

Next, what is the trade area? In what local areas, states, regions, or countries are the firm's customers located? The major source for this information is the firm's own sales records and receipts. For a new product, greater effort is required which would involve interviewing manufacturing representatives, studying how similar products are sold, and visiting firms and salespeople at trade shows where similar products are displayed.

**RULE:** Know what is being sold and where.

# COMMON DATA FOR MARKETING ANALYSIS

## Introduction

A brief introduction should give the reader the overall description of the analysis, why the project is being undertaken, and what the objectives are in collecting information/data.

**RULE:** The introduction is often the only part that is read:

The following topics should be included:

1. A description of the product or services.
2. What innovation does it bring to the market, such as:
  - a new product design?
  - a new manufacturing process?
  - a new service?
3. How does management believe it will change the present market structure (local, national, international)?
  - complement?
  - fill a void?
  - be unique?
4. Social or economic trends that will affect the products or services.
  - Sources:
    - libraries
    - Small Business Research & Information Center or information broker (7)
    - World Wide Web (8)
    - interviews with management.

## Competition

Most managers feel they know their competitors and believe they have a superior product or service when, in fact, they do not know their real competitors and generally lack information about them. Most managers are surprised to discover the large number of competitors and the volume of sales in the industry.

Many times management comes up with a new product or service which they believe is unique, has no marketing competition and can be sold in unlimited numbers. Remember that there is always some product or service that is fulfilling this need today. At one time, the U.S. Postal Service believed it had a monopoly on sending information and could continuously increase price. That is no longer true. Competition has moved in. Very few things come on the market that are truly new. There are always competitors! Also, since

customers have only a limited number of dollars and some products and services are essentials, one is in a sense competing against everything else the customers are purchasing.

**RULE:** Every product or service has its competitors.

The following questions must be addressed:

1. What products/services (brands) will the firm's product compete with in the market place?

Sources:

- Trade shows, from trade associations (1), (26)
- Surveys of distributing system for competitive product, e.g., discount chains, supermarkets, parts stores.
- Thomas Register* (print or electronic) (9)
- Trademarks*can (10)
- Brands & Their Companies* (11)

2. What are the vital statistics of the major firms presently supplying these products/services?

- size of firms in assets/sales
- sales area (local, national, international)
- length of time in business
- locations (main and others)
- financial condition (common ratios)
- investment in facilities.

Sources:

- Standard & Poors Register* (12)
- Thomas Register* (9)
- Robert Morris Associates (13)
- Dun & Bradstreet Credit Analysis (14)
- Directory of Manufacturers* (print or electronic) (2)
- Market Place (CD-ROM)* (15) or Dun & Bradstreet, *Market Identifiers* (online) (16)
- America Business Directory* (17)
- Census data. (18)

3. What other services or products do competitors offer (list)?

Sources:

- Standard & Poors Register* (12)
- Thomas Register* (9)
- Brands & Their Companies* (11)



## Pricing

Price is an important variable in the market place. Management tends to believe that the competition sets the price and therefore the company has little control over what it can charge. This is only partly true. Often firms distinguish products by brand name, various services, credit, and warranties, to name a few of the most common factors. Most firms do not want to compete on price and try to avoid this form of competition.

Furthermore, in most cases management does not know the range of prices in the market place, and believes prices are far more important to the customer than is really the case. Customers react to prices only when they make a purchase, but they never forget bad service or poor quality. The price a firm should charge for a product or service is production cost plus a fair profit. Price the products to make a fair profit. Otherwise, the firm will fail.

**RULE:** Good service and high quality are more important than price.

1. Price - in which type of group is the product.

- low price, large volume
- high price, small volume

Sources:

- Survey of distributors of similar types of products.
- Market research reports (19)
- Survey of Current Business* (20) (see also Bureau of Labor Statistics (21))

2. Price trends or ranges over the past 5-10 years.

Sources:

- Trade Associations (1)
- Market research reports (19)
- Survey of Current Business* (20) (see also Bureau of Labor Statistics (21))

3. Price sensitivity of the product.

- how do consumer purchases react to changes in prices? How do suppliers react to price changes of their competitors?

Sources:

- Trade associations (1)
- Market research reports (19)
- Census data (18)
- Sales and Marketing Management* (22)

4. Ratio of direct cost of labor and materials to price. High labor and material costs compared to price leave smaller margins for overhead and promotional programs.

Sources:

- Dun & Bradstreet Financial Records Plus* (23)
- Annual reports of competitors
- Disclosures* (24)

## Promotion

Today there are many means of promoting a product/service to the consuming public. This phase of marketing is becoming more complex because of the many promotional means, and it is becoming more specialized in ways to reach present and new customers. Almost all product areas have trade publications and trade shows directed toward a very specialized group of customers. Trade shows are an efficient means of reaching a large number of potential customers. At trade shows, the product can be shown and names of prospective customers can be gathered. By interviewing visitors at the booth or having them complete a questionnaire, much significant information can be obtained.

**RULE:** Promotion is not a one-time activity.

Sources of information on means of promotion include the following:

1. Type(s) of promotions used by firms marketing the products/service.

Sources:

- Review of trade publications in the industry (27), (28)
- MARS (Marketing & Advertising Reference Service)* (25)

2. Major trade shows (time and location).

Sources:

- Trade associations (1)
- EventLine* (26)
- Trade & Industry News* (27)

3. Major trade publications for the SIC code/product area (name and address).

Sources:

- Trade associations (1)
- Directories of periodicals (28)
- EventLine* (26)
- Trade & Industry News* (27)

4. Which trade associations are significant in this product line?

Sources:

- Encyclopedia of Associations* (1)
- Telephone surveys of potential distributors for this product/service.

## Distribution

Traditional distribution systems used for various products/services are changing very rapidly due to many factors. Some of these are:

1. streamlined production - making short production runs economical
2. increased quality awareness,
3. extensive communication network,
4. customers demanding products only when needed (just-in-time or JIT delivery), and
5. little or no inventory being carried by customers.

These and other factors have changed the distribution systems and warehousing requirements.

Systems that were effective only a few years ago may no longer be effective. Firms must evaluate their distribution system on an on-going basis. It is a never-ending process, as some foreign competitors can now respond to a customer almost as quickly as local firms.

**RULE:** The distribution system must be an important part of marketing.

Areas that need to be addressed are as follows:

1. Types of distribution channels presently used (e.g., direct sales, wholesalers manufacturing representatives, dealers, etc.)

Sources:

- Trade associations (1)
- Tracking of similar products through distribution channels

2. How has the distribution system changed during past three years?

Sources:

- Tracking products through distribution
- Surveys of links in the distribution system

3. Levels of inventories (trends).

Sources:

- Telephone surveys of potential customers to determine trends

## Sales Trends

Sales trends in both the firm and industry-wide for the product or service are essential in preparing a marketing plan. As so often stated, history repeats itself, but most people do not learn from history. It seems we make the same mistakes again and again. Information about the firm's sales and total sales volume for the industry can be used in the following ways:

1. forecasting future sales
2. determining stage in the product's life cycle
3. determining regions or states where sales are increasing or decreasing
4. projecting seasonal variations
5. consideration, along with other important factors, in analyzing technology breakthroughs
6. predicting market surges.

For some firms, next year's sales forecast of each item in the product line is based only on approximate increase/decrease compared with the past years' sales and expected business and economic conditions. Long-term predictions are much more complex but are important. Total industry sales will help identify the share of the present market, and the potential for each region, a guide in establishing territorial objectives, and the comparisons of actual sales with goals.

Management can gain useful information by collecting and analyzing sales trends in their industry.

**RULE:** Sales and economic trends are an important part of forecasts.

Areas that need to be addressed are as follows:

1. Total industry sales for the product/service for 5-10 years or longer. (A long-life product requires longer sales trends than a product that will have a short life span.)

Sources:

- Trade associations (1)
- Sales and Marketing Management* (22)
- Census data (18)
- "Survey of Buying Power" (22)

2. Total sales by areas, regions, state, etc.

Sources:

- Trade associations (1)
- Census data (18)

3. State of the product in its life cycle - early state, mature, decline.

Sources:

- Analysis of total sales versus time from Item 1

4. Seasonal variations and cycles of sales.

Sources:

- Trade associations (1)
- Customer questionnaire
- International Trade Administration (29)
- Census data (18)
- Market research reports (19)

5. Technology innovations or model changes during past and their effect on sales volume, price, etc. How often do they occur?

Sources:

- Trade associations (1)
- Selected customer questionnaire

6. Factors that effect sales volume, i.e.,

- income levels
- general economy

Source:

- U.S. government sources (4)
- Market research reports (19)
- Census data (18)

## Customers

No firm has enough good customers or information about their customers. All companies believe that they are very close to their customers, but in fact, they frequently know very little about them. Yet, this is the most important group of people to their firm.

Unfortunately, customer turnover is frequently very high, but management generally does not analyze this turnover. Rather than find out why customers cease to buy their product/services most firms increase promotion to find new customers. Usually, this is very costly.

The most important factor for the success of a business, is customers. Without them a business cannot exist. To capture customers, a firm must find out what customers want and will buy. Expectations and demands are influenced by non-economic as well as economic factors, such as attitudes, desires, and expectations arising from cultural patterns in the social environment. Also, people want as much as possible for their money.

There is ample evidence that staying close to customers can pay off. A sale never ends, but continues to make customers come back. Customer satisfaction must be systematically and continuously monitored, not just during the preparation of the marketing plan. This is an area where management has complete control and can be a major differentiating factor as customers are more demanding now than in the past.

**RULE:** You can never have enough good customers. (Customer turnover can be very high).

The following information/data about customers is necessary:

1. Satisfaction/dissatisfaction with present products/services
2. Features they need/like/dislike
3. Need - is the product considered an essential or a luxury
4. Quantity will be increasing/decreasing

5. Price range for a new product/service or if present, product/service attitude toward price.

Sources:

-Customer survey. It is suggested that the services of a professional interviewing firm be obtained which can assist in developing the survey form for making interviews in person or by telephone. In most cases, a professional interviewing firm can do a survey more effectively and economically than the firm's employees can. Also, the data will be unbiased and consistent.

-Internal sources of information about present customers:

- personal checks and sales receipts provide mailing lists
- urban vs. rural (lifestyle), products/services purchased, trade area.

-Credit applications and records give an indication of the ability to purchase certain products.

-Complaint records point out problems, quality, and gaps in inventories/services, employee performance. (Unfortunately, most customers do not make complaints because they feel it will not do any good and it is easier to go to another firm. Therefore, complaints should be encouraged. A formal system should be established so even oral complaints are recorded by employees.)

-Conversations between employees and customers also provide information about customers' levels of satisfaction. (Employees must be encouraged to record these and have assurances that they will not be used against them in performance evaluations.)

-Visiting with customers provides an opportunity for:

- obtaining suggestions
- determining their likes/dislikes
- creating goodwill. (It should be a matter of policy for management to visit with customers on a regular basis.)

-Observing customers provides an opportunity for determining

- age of customers
- customer buying habits
- time of day customers visit firm
- if customers bring along spouse and/or children. (Random observation of customers by management should be a common practice.)

-Customers' questions provide

- information about products/services
- what products/services firm should be carrying or offering to problem areas. (These should be recorded.)

- Customers' suggestions point out
  - what firm should be doing and what customers like. (Customers should be encouraged to make suggestions and a convenient means of doing so must be provided.)

## Demand

- ❖ Every marketing person has heard and talked about “demand” however, few really understand it, even, after taking a basic course in economics. Knowing the basis of demand is very important in developing a marketing plan for the firm's products or services. The definition of demand is the amount of goods/services purchased at a “given time;” therefore, the next day the demand will be different. We all know that as price increases, less will be consumed or, conversely, the lower the price, the greater will be the demand.

These relationships can be illustrated using demand curves. The most common are elastic demand, where a greater quantity is consumed as the price is decreased (Fig. 1(a)), and inelastic demand where a large change in price will only slightly change quantity consumed (Fig. 1(b)). Actual prices and quantities are generally not charted but the concepts are very important.

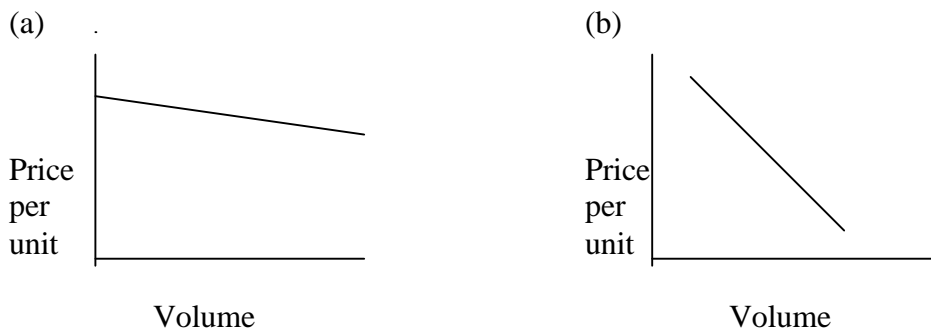


Fig.1.(a) Elastic demand.

(b) Inelastic demand.

Just by their nature, some products, such as food, are essential. These products have an inelastic demand curve. For example, the volume of food consumed may not increase, but the quality of food consumed can increase. Other products have an elastic demand curve. These products are generally nonessential. For instance, services have a highly elastic demand curve, with a small change in price having a greater effect on quantity consumed. Some food-producing firms know people cannot consume greater volumes but will purchase convenience and service; therefore, they promote convenience and service such as prepared foods. These firms are really emphasizing and selling services, which consumers can purchase and use in greater quantities. Generally, one advertises elastic products, not inelastic products.

Another demand type applies to products/services in which there are few firms in the same type of business or industry. These firms, as a group, have a kindred demand curve as illustrated in Fig. 2.

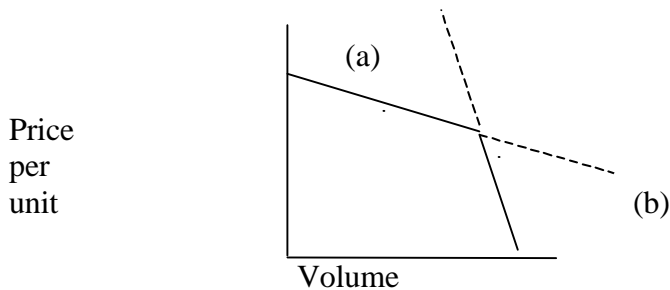


Fig 2. Kindred demand. (a) Individual firm. (b) Total.

It is very important that management understands this type of demand curve. This is really two demand curves together: (a) the individual firm and (b) the total for all firms. If the individual firm looks for only its own demand curve, it appears a lower price would increase demand (sales) considerably, this assumes that other firms keep their prices the same, but the other firms will also follow by lowering prices. As a result, total sales will only increase slightly, but will be at a lower price. This can be illustrated by gasoline price wars.

Management must thoroughly understand these basic demands and have these concepts applied to their products/services. These must be considered in developing the marketing plan.

**RULE:** Price competition is used when management does not understand the demand curve for their products.

The following information concerning the products should be determined:

1. Type of products/services
    - essential products/services will have an inelastic demand
    - services generally have an elastic demand
    - commodity type products (all the same) have a highly elastic demand as one firm cannot sell enough to cause prices to decrease.
  2. Number of firms (competitors) in the business or industry
    - if few in number, they will have a kindred demand. This will affect the firm's pricing policy.
  3. Promotion would not include the products with a highly inelastic demand, but would involve products/services that are highly elastic
- Sources:
- Basic economic books (30)



The above analysis should indicate to management why firms should be concerned about (promotion) services and quality rather than the price of their product. Prices are used in promotion when firms really do not understand demand.

## Quality Requirements

Firms have rediscovered the importance of quality, which they now see as a competitive factor in markets that demand quality products. Today, quality improvement is not a fad, but a long-term, continuous effort. While everyone in an organization must be committed to quality, success in quality improvement requires the cooperation and coordination of all departments, including marketing. One of the major sources of ideas and suggestions for quality improvements is the firm's customers. These can then be included in the firm's quality control, product design, engineering, manufacturing, testing, marketing, and packaging.

The firm's quality program can be an important part of the marketing plans and programs. Quality becomes a competitive part of the firm's strategy. With the present emphasis on quality throughout the world, and with this type of competitive situation, the firm's marketing plan must include a strong quality emphasis. This relatively new marketing segment must continuously monitor, through ongoing systematic procedures, the firm's own products/services, **and** competitors' products/services.

**RULE:** Quality of service and products can always be improved.

Information that concerns quality:

1. What is the firm's approach to quality (long-term)?

Sources:

-Firm's quality control manual

2. Who are the key people and departments involved in quality improvement and control?

Sources:

-Interviews with all levels of management

3. Where have suggestions for quality improvement come from? How many have there been during the past year?

Sources:

-Quality control personnel

4. Where are quality inspections performed?

Sources:

-Interviews with quality control personnel and supervisors

5. How does the firm's quality program compare to the firm's competitors?

Sources:

- Competitors' quality control manual, if available, or use manuals from firms in different industries as a guide.
- customer questionnaires.

## Environment

In today's environmentally conscience society, this issue must be an important consideration, because the firm's environmental practices can directly affect sales, sometimes drastically. Numerous cases can be cited in which even legal environmental products and practices, past or present, have resulted in financial disasters for the firm. All eventually come as marketing responsibilities; however, safe environmental practices can be presented as a favorable image to society and can enhance the firm's marketing effort.

Especially for new products or services, the environmental factors that may affect future sales must be carefully reviewed. For example, is the product a natural product, does it encourage recycling, and/or is it user friendly?

**RULE:** Positive environmental practices can be valuable marketing factors as a major part of the firm's marketing plan.

Information needs to be obtained regarding the following items:

1. Raw materials that contain hazardous elements.  
Sources:
  - Incoming raw materials specifications sheets
2. What wastes are created during manufacturing?  
Sources:
  - Manufacturing process
3. Products content - hazardous elements.  
Sources:
  - Product labels
4. Products create disposal problems.  
Sources:
  - Analysis of present disposal method of customers
5. Recycling of products and packaging, buy-back policy, design of products and packaging for recycling, use materials that can be recycled.  
Sources:
  - Company policies, engineering design

6. Social and political considerations that affect firm's products.

Sources:

- Customers' comments
- Articles from computer literature searches, local library (7)
- EPA Web site (31)
- Federal Register* (32)
- State labor agencies (33)
- State and local departments of health (34)

## Safety

Consumer safety has become an important issue that must be a concern to all parts of the firm. This involves owner's manuals, warranties, and promotional materials, to name a few. Consumer safety has become a big issue because of costly product liability lawsuits—even over a hot cup of coffee! This indicates that almost anything the firm does is open to some type of legal problem.

<b>RULE:</b> Safety is everyone's concern.
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The following items of information are important to the firm's marketing plan:

1. What state, local, and federal safety laws, regulations, and court decisions affect the firm's products/services?

Sources:

- Firm's attorneys or legal counselor
- Trade association (1)
- OSHA Web site (35)

2. What are the product's safety features? What warnings are or should be provided?

Sources:

- Firm's engineering staff
- Technical staff of trade associations (1)

## Summary

The information and data can be summarized, with highlights. These highlights might include the following:

- ❖ To be competitive in the marketplace, what is required by the firm?
  - price
  - quality
  - services
  - promotion
- ❖ Will products/services complement present offerings, fill a void, substitute, or compete with present lines?

- ❖ Forecast sales during the next 3-5 years considering:
  - sales trends
  - political environment
  - economy
  - present competition
- ❖ Anticipated (forecast) sales for the next 3-5 years (percent of total sales).
- ❖ Marketing practices required (changed) to achieve these anticipated sales in:
  - sales organization
  - distribution
  - services
  - promotion required
  - prices, discounts, credit
  - quality
- ❖ Describe market niche (customers) firm will focus on:
  - age
  - location
  - income level
- ❖ Investment required to be a strong competitor:
  - manufacturing
  - R&D
  - sales organization
  - distribution system
  - promotion
- ❖ Company's strengths and weaknesses (how we cope with these weaknesses).
- ❖ Management requirements to achieve anticipated sales:
  - new positions
  - if new venture, what must the management consist of and how will they be involved?
  - changes in duties and responsibilities

## SOURCES OF ASSISTANCE

Assistance in obtaining data for your marketing plan can be obtained from the following:

- local, college, or university libraries
- local University Extension Centers (36)
- Small Business Research & Information Center (7)
- state agencies, including Department of Economic Development (37)
- technology transfer centers (38)
- Internet

## BOOKS AND ARTICLES

The following are books and articles for preparing a marketing plan:

- ❖ Roman G. Hiebing, Jr. and Scott W. Cooper, *How to Write a Successful Marketing Plan*. Lincolnwood, IL: NTC Business Books, 1990.

- ❖ Richard Graves and Allan Campbell, *Creating Customers*. West Publishing, 1966.
- ❖ Thomas E. Mosley, Jr., *Marketing Your Invention*. Dover, NH: Upstart Publishing, 1992.
- ❖ Linda Pinson, *Target Marketing for the Small Businesses*. Dover, NH: Upstart Publishing, 1993.
- ❖ Paula Wardell, *Successful Retailing: Your Step-by-Step Guide to Avoiding Pitfalls and Finding Profit as an Independent Retailer*. Omaha, NE: Nebraska Business Development Center. (Price: \$24.95, from Nebraska Business Development Center, College of Business Administration, Room 407, University of Nebraska at Omaha, Omaha, NE 68181-0248, 404/ 554-2521.)

## APPENDIX A -SOURCES OF INFORMATION

Following are descriptions of common sources of data and information, what they contain, and where to locate them. Many of the sources are electronic databases accessible through services such as Knight-Ridder's DIALOG. DIALOG provides access and uniform, powerful search software for more than 300 databases that focus primarily on business and science/technology news and information - both national and international. The databases differ in size, scope, and cost, but can be searched simultaneously and therefore economically, by experienced DIALOG searchers. Libraries, technology transfer centers (44), and other centers (7) may be helpful in this regard.

### Hints and Definitions for Making the Best Use of References

Database- electronic information sources available through online connection to such services as DIALOG.

DIALOG - A commercial online information service that brings together hundreds of business, science/technology, and news databases with powerful search software. Although the databases combine to offer the most comprehensive and timely information, using DIALOG can be complicated and costly (see, for example, search instructions contained in the "Bluesheets" for any of the databases at the DIALOG Web site at <http://library.dialog.com/>. Access is often through university libraries or INFORMATION BROKERS.

Directory - Any sources listed described, as a directory will contain name, address, and telephone number. Any additional information contained in the directory will be specified.

Information broker - a private sector consultant who, for a fee can find the information you need for you. To locate the information broker nearest you, Contact the Association of Independent Information Professional at (609) 730-8759. Some public sector agencies also act as information brokers (see, for example, the listing for the Small Business Research and Information Center, ref.7).

Internet - also known as the “information superhighway” is a worldwide network of “server” computers linked by telecommunications wires, satellites, and software. Servers may be mail servers-capable of handling only electronic mail or e-mail (one-way communication of text from one computer to another), gopher servers--supporting interactive connection for text only exchanges, or Web servers--supporting the hypertext, graphics, sound, and video available through the World Wide Web. To access the Internet, a person needs a computer with a modem and “access.” Access may be provided by telephone companies, cable companies, or community networks. Ask a nearby computer dealer.

Libraries - Libraries come in all shapes and sizes, and not all of them have business-related reference works. The most efficient way to use a library is to speak first with a Reference Librarian who will know what the library has and where to find it.

SIC code, or Standard Industrial Classification code - a number used to group businesses with similar products or services together. A SIC code may consist of only two digits (for major sectors like agriculture or manufacturing) or as many as eight digits. Four-digit SIC codes are the most common, as they are supported by national and international agencies. Six and eight-digit codes are devised by private companies and are therefore less consistent, though much more specific. For example, an eight digit SIC code from Dun & Bradstreet breaks down like this:

08	Forestry
831	Forestry Products
0831-02	Gum and rosin extraction and distillation
0831-0204	Turpentine and rosin distillation

## References

1. *Encyclopedia of Associations* gives contact information, description, and functions of national and international associations of every sort. Published by Gale Research, Tel. 800/ 877-GALE. Available at most libraries, also online via DIALOG.<http://library.dialog.com/bluesheets/html/bl0114.html>.
2. *Directory of Manufacturers*, published for each state by Harris Publishing and sometimes referred to as the Harris Directory, gives name, address, executives, employees, sales, and SIC code or product description for manufacturing companies. Published by Harris Information Source, 2057 Aurora Rd., Twinsburg, OH 44087-1999, Tel.: 800/888-5900, Fax: 800/ 643-5997. Available at most libraries in print or on CD-ROM, also through many UNIVERSITY EXTENSION CENTERS or SMALL BUSINESS DEVELOPMENT CENTERS (see ref. 35).
3. *Standard Directory of Advertisers* includes number of employees, SIC codes, and

from senior executives to marketing managers and ad directors. Find out who buys advertising, how much they spend, and where they spend it, by media. Includes Brand Name Index to 58,000 products. Published by National Register Publishing, 121 Chanlon Rd., New Providence, NJ 07974. Tel.: 800/ 521- 8110. \$999.95. Available at some university libraries and major public libraries.

4. U.S. government sources of data include many divisions of the Department of Commerce, especially the Bureau of the Census. Such publications as *County Business Patterns* and the *Census of Manufactures* give data on the number, size, and location of business establishments by industry group; capital investments, value of shipments. Available in print at many university libraries and major public libraries (especially government depository libraries). Some data are also available on the World Wide Web through FedWorld (<http://www.fedworld.gov/>). . See also *Census Data* (ref. 18), *Bureau of Labor Statistics* (ref. 21), *International Trade Administration* (ref. 29), *Environmental Protection Agency* (ref.31), and the *Occupational Safety And Health Administration* (ref. 34).
5. *Directory of Packaging Consultants*, indexes packaging experts by geographic location and area of expertise. Available from the Institute of Packaging Professionals, 1 Carlisle Dr., Herndon, VA. Tel.: 703/318-8970, Fax: 703/318-0310. Price: \$25.00.
6. Any good book on constructing charts and graphs. For example, I G. E. Shilov, *How to Construct Graphs*. Boston, MA: Heath 1963. Robert Lefferts, *Elements of Graphics: How to Prepare Charts and Graphs for Effective e Reports*. New York: Harper & Row, 1981. - A.J. MacGregor, *Graphics Simplified: How to Plan and Prepare Effective Charts Graphs Illustrations, and Other Visual Aids*. Toronto, ON, Canada: University of Toronto Press, 1979.
7. Small Business Research and Information (SBRI) Center, one of Missouri's Small Business Development Centers, specializing in information retrieval for Missouri small businesses. Located at 104 Nagogami Terrace, University of Missouri-Rolla, Rolla, MO 65409-1340. Tel.: 573/341-4559, Fax: 573/341-6495, or [e-mail:sbdc-rt@ext.missouri.edu](mailto:sbdc-rt@ext.missouri.edu).
8. World Wide Web, or the Web, is the source of much useful information. " Search engines" allow searching by subject or keyword. NOTE: 1. The Web is always changing: what was there last week might be gone next week, and what wasn't there last week might be now. 2. Not all information on the Web is valid. Check the source- whoever has put the information on the Web (this can usually be found at the end of a Web document). If the information is from a government, university, trade association or some other recognizable source, it is probably reliable. If the information is from an individual with no affiliation given, it may not be reliable.
9. *Thomas Register* is a multi-volume directory of manufactures nationwide, arranged by product. Essential for locating suppliers. Published by Thomas Publishing Company, 5 Penn Plaza, New York, NY 10001, 800/ 699-9822 ext. 444,

Fax: 212/ 290-7365. Available at most libraries or on the Web at <http://www.thomasregister.com/>.

10. *Trademarkscan* refers to a family of databases available through DIALOG giving ownership and legal status on trademarks at the state, national, or international level. Available through some university libraries, information brokers or the SBRI Center (ref. 7).
11. *Brands and Their Companies*, published by Gale Research, is a directory of national and international manufacturers listed by the brand names of their products. Published by Gale Research (see ref. 1). Available at many libraries (in print) or online via DIALOG.
12. *Standard & Poors Register* gives brief information on the management personnel of public and private companies having more than \$1 million annual sales. Published by Standard & Poors, a Division of The McGraw-Hill Companies, Manager, Electronic Services, 25 Broadway, New York, NY 10004. Tel.: 212/ 208-8622. Available at many libraries (in print) or online via DIALOG.
13. Robert Morse Associates publish financial ratios for all types of business. Used to determine the financial health of companies, often by bank loan officers or business counselors. Robert Morris Associates, One Liberty Place, Philadelphia, PA 19103, 215/ 851-0585. Available through banks, University Extension Centers and Small Business Development Centers (ref. 35).
14. Credit analysis, provided through companies like TRW (TRW Business Credit Services, 500 City Parkway West, 10th Fl. Orange, CA 92868), give an overview of the creditworthiness of a company. Available through banks or information brokers, including the SBRI Center.
15. *Market Place* is the name of a business directory product in CD-ROM format from the Dun & Bradstreet company, Includes executive names, site type (headquarters or branch, for example), annual sales, number of employees, 8-digit SIC codes. Useful in analyzing markets and generating mailing or telemarketing lists. Published by Market Place information Corp. 460 Totten Pond Rd., Waltham, MA 02154-1906, Tel.: 800/532-3775 Available through some economic development agencies (ref. 36), Small Business Development Centers, and the SBRI Center.
16. *Market Identifiers*, a business directory database from Dun & Bradstreet and accessible through DIALOG. Gives companies' sales for three years, executive names and titles, site size and type, number of employees, 4-, 6-, and 8-digit SIC codes, sales territory, accounting firm, and bank. Available through university libraries, some public libraries, or the SBRI Center.



17. *American Business Directory* - a DIALOG database including employment data, key contact and title, 6-digit SIC code, yellow pages and brand/trademark information, actual and estimated financial data, and corporate linkages. Compiled by American Business Information, Inc., 5711 So. 86th Circle, P.O. Box 27347, Omaha, NE 68127, Tel.: 402/ 593-4510 Available through information brokers or the SBRI Center.
18. Census data-The U.S. Bureau of the Census gathers data on the population and projects changes in the age, income, ethnicity, etc. These projections can be useful in planning and growing a business. The Census Bureau also gathers data on business and industry. Available at government depository libraries, census data centers like the Office of Social and Economic Data Analysis (OSED), at the University of Missouri-Columbia (Tel.: 573/ 882-7396 or on the Web at <http://www.oseda.missouri.edu>, or from DIALOG through an information broker. Some census data can also be found on the Census Web site <http://www.census.gov>.
19. Market research reports are in-depth studies conducted and published by major firms like Frost & Sullivan (Frost & Sullivan Research Services, 2525 Charleston Rd., Mountain View, CA 94043, Tel.: 415/961-1000); Datamonitor (106 Baker St., London, WIM 1LA, U.K., +44 71625 8548); Fredonia (The Fredonia Group, Inc., 3570 Warrensville Center Rd., Ste. 201, Cleveland, OH 44122-5226, Tel.: 216/ 921-6800); and others. The full report deals with industries and/or products, often including specific long-range projections of demand for certain products and services. The reports sell for thousands of dollars. However, they can be searched and individual pertinent chapters can be obtained via DIALOG for a fraction of that cost. Available through information brokers or the SBRI Center.
20. *Survey of Current Business*, a monthly journal written by the Bureau of Economic Analysis of the U.S. Department of Commerce. Contains analysis of U.S. economic activity, including earnings by industry and region. Available at many university libraries and in major public libraries.
21. Bureau of Labor Statistics (BLS) is the principal fact-finding agency for the federal government in the broad field of labor economics and statistics. It has a dual role as the statistical arm of the Department of Labor and as an independent national statistical agency that collects, processes, analyzes, and disseminates sensitive economic and statistical data. Much BLS data is available at the Bureau's Web site <http://stats.bls.gov>.
22. *Sales and Marketing Management* is a monthly publication dealing with sales and marketing issues and includes periodic surveys. Of particular interest is the annual "Survey of Buying Power," which contains a wide range of data designed for marketing analysis. Data include Metro Market Rankings; Metro, County, and City Data by State; median age of population, percent of population by age groups and household income, retail sales by store groups, and more. Main offices are at 355

Park Ave. South, New York, NY 10010-1789. Available at many libraries, some bookstores, or by subscription. For subscription information, call 800/821-6897. The magazine's Web site is <http://salesandmarketing.com/smmnew>.

23. *D&B Financial Record Plus* database provides up to three years of comprehensive financial statements for more than 700,000 private and public companies, includes balance sheet, income statement, 14 of the most widely used business ratios for measuring solvency, efficiency, and profitability, and history and operation background of a firm. A company's financial position may be compared to others in the same industry as determined by industry norm percentages. Useful for evaluating potential partners or suppliers. Published by Dun & Bradstreet Information Services, 3 Sylvan Way, Parsippany, NJ 07054, Tel.: 800/223-1026 Available through information brokers or the SBRI Center.
24. *Disclosure* database provides detailed financial and textual information on approximately 11,000 public companies, derived from reports filed with the U.S. Securities and Exchange Commission (SEC). Information includes annual and quarterly balance sheets and income statements, annual financial ratios, cash flow statement, and weekly price earnings information. Textual information includes the full text of the management discussion; president's letter to shareholders; footnotes to the financials; officers, directors, and subsidiaries; and citations to other corporate events and exhibits. Like *D&B Financial Records Plus* (ref. 23), this database is useful for investigating potential partners. Compiled by Disclosure, 5161 River Rd., Bethesda, MD 20816, Tel.: 800/843-7747. Available through information brokers or the SBRI Center.
25. Mars, or *IAC Marketing & Advertising Reference Service*, is a multi-industry database covering a wide variety of consumer products and services. MARS is used to locate market size and market share information, monitor new product or service introductions, evaluate markets for existing products or services, and research the marketing and advertising strategies of competitors. It is also used to research and develop new client proposals; target markets; locate information on products and services. Compiled by the Information Access Company, 362 Lakeside Dr., Foster City, CA 94404, Tel.: 800/321-6388. Available through information brokers or the SBRI Center.
26. *EventLine* is a multidisciplinary, multinational database, contains information on past and forthcoming conventions, symposia, exhibitions, trade fairs, and major sporting events. EventLine is compiled by Elsevier Science B.V., P.O. Box 521, 1000 AN. Amsterdam, The Netherlands, Tel.: 31020 515 9448, e-mail: [k.foley@excerptamedia.com](mailto:k.foley@excerptamedia.com), and is accessible through DIALOG available through information brokers, the SBRI Center, and major libraries. Several sites on the Web also track trade shows. For example, Trade Show Central at <http://www.tscentral.com>.
27. *IAC Trade & Industry News* is one of several DIALOG databases covering international company, industry, product, and market information, with strong

and *IAC PROMT*. Available through major libraries, information brokers, and the SBRI Center.

28. Standard Periodicals Directory is an annual reference work used to find specialized trade journals as possible sources of business information or advertising. Published by Oxbridge Communications, 150 5th Ave., New York, NY 100 11, Tel.: 212/ 741-0231. Available at most libraries. A similar directory, Ulrich 's, is also available at most libraries or, as a DIALOG database, through an information broker of the SBRI Center.
29. International Trade Administration, part of the U.S. Department of Commerce helps U.S. firms compete in the global market. The ITA tracks emerging markets, provides industry and country analyses, and supports U.S. Export Assistance Centers, among other things. Accessible through the Web at [http:// www.ita.doc./](http://www.ita.doc/); main office is at 14th Street and Connecticut Ave., N. W., Washington, DC 20230, Tel.: 202/ 482-3808. Department of Commerce district office is in Room 635,601 East 12th Street, Kansas City, MO 64106, Tel.: 816/ 426-3141.
30. Any basic economics books, for example: Joseph E. Stiglitz, *Economics*. New York: W. W. Norton & Company (500 Fifth Avenue, New York, NY 10110, Tel.: 212/ 359-5500), 1993.
31. Environmental Protection Agency regulates hazardous waste, air and water pollution, and other issues of interest to business and industry, Information on EPA policies is available at their Web site <http://www.epa.gov>) or at regional office at 726 Minnesota Ave., Kansas City, KS 66101, Tel.: 913/ 551-7003. More detailed information on environmental issues can also be located through information brokers with DIALOG access or the SBRI Center.
32. *Federal Register*, the official newspaper of the U.S. government, is the vehicle through which federal agencies publish their regulations and legal notices. DIALOG databases of both the Federal Register and *Federal Register Abstracts* are available through major libraries, information brokers, and the SBRI Center; or through the Government Printing Office, P.O. Box 371954, Pittsburgh, PA 15250, Tel.: 202/ 512-1800.
33. State labor agencies usually track statistics and legal issues pertaining to employment in the state. In Missouri, the Department of Labor and Industrial Relations can be reached at (573) 751-4091 <http://www.dolir.state.mo.us>).
34. State and local departments of health license and regulate many kinds of businesses. Find the Health Department nearest you through the telephone Yellow Pages.
35. The Occupational Safety and Health Administration (OSHA), a division of the U.S. Department of Labor establishes standards to protect people from injury in the workplace enforces those standards, and educates employers and employees about workplace safety issues through technical assistance and consultation programs.

Information about OSHA policies and resources is available at the OSHA Web site <http://www.osha.gov> or the main office at 200 Connecticut Ave., NW, Washington, DC 20210, Tel.: 202/219-8148.

36. University Extension Centers operate in many states, offering assistance of various types. The University of Missouri has a strong system of Business & Industry Specialists In Missouri, to find the nearest Extension Center, call 573/ 882-7754. Another important resource is the Small Business Development Centers (SBDCs), also operating in most states. In Missouri, to find the nearest SBDC, call 573/882-0344 (on the Web: <http://www.mo-sbdc.org>).
37. State departments of economic development can be valuable sources of information and assistance. The Missouri Department of Economic Development can be reached at (800) 523-1434, ext. 2 or through their Web site ([http:// www.ecodev.state.mo.us](http://www.ecodev.state.mo.us)).
38. Technology transfer centers exist throughout the country to help businesses benefit from work done at university and federal laboratories rather than developing new technologies and processes themselves .For the technology transfer center nearest you, contact the SBRI Center or the National Technology Transfer Center, Wheeling Jesuit University, 3 16 Washington Avenue, Wheeling, WV 26003, Tel.: 800/ 678-6882, Web site: <http://www.nttc.edu/>.
39. Sorkins Directories of Business & Government for St. Louis Kansas City, and Chicago are multi-volume sets of reference books where users can find profiles of companies by company name or by individual executive name. Profiles include sales and employee figures; encyclopedic company descriptions; names and titles of chief executives, partners, vice presidents, department managers, and board members; addresses, (telephone and fax number(s), year, founded company's bank, law firm, accounting firm, and more. Sorkins Electronic Book is a Sorkins directory on CD-ROM. You get all of the full profiles with search, sort, and count functions. Published by Sorkins, P.O. Box 411067, Creve Coeur, MO 63141, Tel.: 800/ 758-3228, Fax: 800/721-5478, e-mail: [psjsorkins@sorkins.com](mailto:psjsorkins@sorkins.com). Available at many libraries.

40. Zip Code and County Demographics CD-ROM contains U.S. demographic information at both the zip Code and county levels. Designed to run on Windows, disk contains over 50 demographic variables for 29,523 residential zip codes and 3,141 counties for profiling potential markets. Includes purchase potential information for 20 product categories ranging from financial services to furniture, from pet ownership to home improvement. Software includes search, sort, rank, and export functions. Published by CACI Marketing systems, 2361 Jefferson Davis Hwy., Arlington, VA 22202, Tel.: 713/415-4800.
41. *U.S. Industrial Outlook* is a one-volume publication of the U.S. Department of Commerce (see ref. 29) providing business forecasts for 350 industries. Published annually through the mid-1990's, then discontinued. Available at most libraries. 1994 edition is available online at [gopher://gopher.umsi.edu:70/11/library/govdocs/usio94](http://gopher://gopher.umsi.edu:70/11/library/govdocs/usio94).
42. *County Business Patterns* published at one-or two-year intervals by the U.S. Department of Commerce (see ref. 29), contains statistical tables, by county and industry. Includes payroll, number of establishments, number of employees by 2-, 3-, and sometimes 4 digit SIC codes.
43. Criss cross directories, published by various companies and sometimes known as city directors, provide telephone directory type information by address, and sometimes by phone numbers, rather than by name, Contact your local library for further information.

## APPENDIX B -OUTLINE OF A MARKETING PLAN <sup>2</sup>

1. Mission statement - What do you want your business, main markets, and products or services to be?
2. Marketing objectives for next year and for the next three years - These are the broad marketing objectives.
3. Sales and profit goals for next year and the next three years.
4. Products/services - Give a brief description by product/service lines, including proposed changes and any recent changes that would affect marketing goals.
5. Target markets - List and briefly describe.

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6. Market potential - What size and potential sales, profit, or other advantages do the target markets have?
7. How will you achieve your goals?
  - A. Overall strategy
  - B. Competitive strategies
  - C. Promotion strategies
  - D. Pricing, location, and sales practices (a brief statement of pricing strategy, plus brief statements about location, hours, and selling practices).
  - E. Marketing and advertising budgets
8. Potential problems - Give a brief description, plus proposed solutions.
9. Implementation and measurement of timetables and benchmarks.
10. Review and evaluation schedule - This is a short schedule of important review dates.

Appendix-This may include supporting documents such as letters of intent, purchase agreements, and so forth if you think documentation is needed.